

GENERAL FUND OTHER REVENUE

Revenue Description

Other revenue represents all of the sources of general fund revenue that do not have an individual line item in the revenue estimating resolution. The individual items included in other revenue generally have general fund revenue of \$2 million or less. Some of them may have one-time revenue of more than \$2 million. In FY 2004, there were 46 items of general fund revenue included in other revenue.

Historical and Projected Revenue

Table 1 shows past and projected collections from other general fund revenue sources.

Table 1 General Fund Other Revenue (\$ millions)				
Fiscal Year	Other Revenue	FEMA	General Fund	Percent Change
A 1994	\$13.714	\$0.189	\$13.903	-22.74%
A 1995	\$16.565	\$3.652	\$20.217	45.41%
A 1996	\$14.868	\$0.263	\$15.131	-25.16%
A 1997	\$14.275	\$2.814	\$17.089	12.94%
A 1998	\$25.694	\$0.219	\$25.913	51.64%
A 1999	\$32.323	\$1.801	\$34.124	31.69%
A 2000	\$19.180	\$1.015	\$20.195	-40.82%
A 2001	\$27.448	\$24.388	\$51.836	156.68%
A 2002	\$25.874	\$16.564	\$42.438	-18.13%
A 2003	\$25.895	\$0.000	\$25.895	-38.98%
A 2004	\$29.432	\$0.000	\$29.432	13.66%
F 2005	\$27.592	\$0.200	\$27.792	-5.57%
F 2006	\$23.389	\$0.200	\$23.589	-15.12%
F 2007	\$23.434	\$0.200	\$23.634	0.19%

Fiscal Year	Other Revenue (\$ millions)	FEMA (\$ millions)
1994	13.714	0.189
1995	16.565	3.652
1996	14.868	0.263
1997	14.275	2.814
1998	25.694	0.219
1999	32.323	1.801
2000	19.180	1.015
2001	27.448	24.388
2002	25.874	16.564
2003	25.895	0.000
2004	29.432	0.000
2005	27.592	0.200
2006	23.389	0.200
2007	23.434	0.200

Other revenue includes reimbursements from the Federal Emergency Management Agency (FEMA). These reimbursements are shown separately in Table 1 because FEMA reimbursements for the costs of fighting forest fires were much higher than normal in FY 2001 and FY 2002. The non-FEMA component of other revenue was \$3.5 million higher in FY 2004 than in FY 2003, primarily because of settlements of enforcement actions by the State Auditor's Office. Other revenue is projected to be higher than normal in FY 2005 because of one-time transfers from other funds enacted by the legislature in the 2002 special session and the 2003 regular session. Most other components of this revenue source are forecast to be stable through FY 2007, and non-FEMA revenue is projected to be \$23.4 million in both FY 2006 and FY 2007.

Forecast Methodology and Projection Calculation

The forecast for general fund collections from other revenue sources is done in two steps. Twenty-eight items are examined individually. The remaining 18 items, which comprised a total of \$97,926 in FY 2003, are forecast as a group.

Individually Forecast Items

Twenty-eight items were examined in some detail to obtain a forecast of revenue from each item separately. The forecasts for these items were then summed to get total revenue for the group.

The first step in examining each item was to account for one-time events and changes in the law. Next, the history was examined to determine whether there was a trend or other pattern in receipts. Where receipts have been stable or growing steadily, the forecast was based on this past trend. For about half of the items, variations in past receipts or recent law changes made a trend forecast inappropriate. In some of these cases, revenues through FY 2007 are forecast to be the same as revenues in FY 2004. In other cases, the forecast was based on discussions of future revenues with agency staff.

Vehicle Licenses and Permits, Attorney Licenses, and Emergency Telephone system Fee showed consistent growth and are forecast to continue to grow at the same rate each fiscal year.

Eleven items show no trend in collections, and the forecast is the average of recent years' revenues. These items are *Miscellaneous Receipts, Cement Tax, Securities and Insurance Fines, Civil Penalty Fines, Federal Indirect Cost Recovery, Miscellaneous Federal Assistance, Attorney License, Documents Sold, Proceeds of Fixed Asset Distribution, Administrative Fees, and Inception of Installment Purchase Contracts*. One-time receipts in FY 2004 were removed from *Miscellaneous Receipts* and *Securities and Insurance Fines* before averaging receipts from the last four years. *Documents Sold, Proceeds of Fixed Asset Distribution, and Inception of Installment Purchase Contract* were averaged over three years to remove one-time revenue from the average. *Administrative Fees* more than doubled in FY 2003 because district court fees that formerly were retained by counties began going to the general fund, so it was averaged over the last two years. The 2002 legislature allocated \$1.7 million of *Accommodations Tax* revenue to the general fund. This was removed before averaging the last four years' general fund reimbursements for accommodations tax on state employee's business travel. The other items were averaged over the last four years.

Health licenses and permits follow a regular pattern because of the renewal of multi-year hospital and nursing home licenses. Revenue in odd numbered fiscal years is forecast to equal the average of revenue in the last two odd numbered fiscal years. Revenue in even numbered fiscal years is forecast to equal the average of revenue in

the last two even numbered fiscal years.

Eleven items are affected by recent legislation or other changes.

Transfers in General consists of transfers from other funds to the general fund. It includes earnings on the State Auditor's Office's portfolio of regulated securities, which are fairly consistent over time. It also includes transfers of year-end balances from special revenue funds and one-time transfers. Three changes from FY 2004 revenue are expected in FY 2005 through FY 2007. Cigarette tax allocated to the state veteran's home in excess of appropriations is transferred to the general fund. Because of declining cigarette sales, this amount is expected to decrease by \$0.145 million in FY 2005, by \$0.120 million in FY 2006, and by \$0.081 million in FY 2007. SB 493 (2003 session) authorizes the transfer of up to \$3.7 million from the motor vehicle information technology fund to the general fund in the 2005 biennium. It is expected that the balance available for transfer at the end of FY 2005 will be \$3.3 million. It is expected that an unappropriated balance of \$0.456 million in the coal tax local impacts account will revert to the general fund at the end of FY 2005. The forecast for each year equals FY 2004 collections adjusted for these changes.

SWCAP - Indirect Cost Recovery is agency payments for centralized services, such as debt service for the state accounting system, through the Statewide Cost Allocation Plan. Through FY 2004, statewide capital costs were recovered through the separate *State Funds Cap Recovery*. Beginning in FY 2005, all costs are recovered through a single SWCAP charge. The Department of Administration has estimated charges through FY 2007. In the 2005 biennium, the Department of Administration temporarily lowered its charges to agencies for debt service for the state accounting system. Total payments in FY 2005 are expected to be \$0.236 million lower than in FY 2004. Payments in FY 2006 and FY 2007 are scheduled to be \$0.755 million higher.

Liquor License Transfers formerly were deposited directly in the general fund, but beginning in FY 2002 they are retained in the Department of Revenue's liquor enterprise fund until the end of the fiscal year. The legislature makes several appropriations from these funds. At the end of the year, the department transfers the difference between revenue and appropriations to the general fund. Appropriations were larger than normal in FY 2003. Net revenue to the general fund is projected to remain at the FY 2004 level.

Miscellaneous Service Fees includes fees for driver's license reinstatements that were changed by HB 195, HB 215 and HB 478 passed by the 2003 legislature. SB 26 (2003 session) moved title company fees from the general fund to a state special revenue fund. The net effect of these bills increased revenue in FY 2004 and is expected to increase revenue by an additional \$0.846 million in FY 2005. Revenue each year through FY 2007 is projected to be \$0.846 million more than revenue in FY 2004.

Before FY 2003, *Miscellaneous Cost Recovery* consisted primarily of payments to the Department of Natural Resources and Conservation (DNRC) for state costs of fighting fires on federal land. Beginning In FY 2003, these reimbursements flow through a federal special revenue account rather than through the general fund. The forecast is for collections to be steady at the FY 2004 level.

Prior to HB 124 (2001 session) clerk of court fees were divided between the state and the counties where they were collected. The state's share made up the bulk of *Filing Fees*. HB 124 brought most revenue collected by clerks of courts to the state. This larger revenue stream is now included in the administrative fees category. In FY 2004, the only revenue remaining in this category was adoption fees. They are projected to remain at the FY 2004 level through FY 2007.

Miscellaneous Fines and Forfeitures increased significantly in FY 2003 due to legislative and administrative changes. This revenue source consists primarily of fines levied for specific violations and can vary from year to year. A one-time payment of \$1.0 million has been received early in FY 2005. Revenue for FY 2005 is projected to be \$1.0 million more than revenue in FY 2004. Revenue in FY 2006 and FY 2007 is projected to equal revenue in FY 2004.

Through FY 2003, fees collected at the state law enforcement academy went to the general fund and were included in *Student Tuition and Fees*. Beginning in FY 2004, these fees go to a state special revenue fund. This reduced general fund revenue by \$0.1 million. Revenue is projected to be stable at the FY 2004 level.

The 2003 legislature created a new food manufacturers license and moved apiary license and background check fees from the general fund to special revenue funds. These changes reduced *Inspection and Testing Fees* beginning in FY 2004. The forecast is for fees to remain at the FY 2004 level.

Rentals and PSC Licenses and Permits were slightly lower in FY 2004 than in previous years. They are forecast to be the same as in FY 2004.

Table 2 shows revenue from items forecast individually.

Table 2
Other Revenue - Items Estimated Individually

	FY2001	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007
Transfers - In General	\$ 3,516,118	\$ 7,102,300	\$ 5,362,186	\$ 4,448,393	\$ 8,149,150	\$ 4,182,658	\$ 4,101,684
SWCAP - IDC Recovery	2,947,572	2,977,342	2,755,212	1,318,788	1,082,172	1,836,574	1,836,574
Administrative Fees	2,374,200	2,451,139	5,493,374	5,449,170	5,471,272	5,471,272	5,471,272
Escheated Revenue	2,287,839	1,624,861	2,373,192	3,182,790	3,278,274	3,376,622	3,477,921
Liquor License Transfers	1,789,706	1,036,184	558,198	734,102	734,102	734,102	734,102
Miscellaneous Service Fee	1,764,977	1,837,689	2,403,893	2,511,944	3,358,064	3,358,064	3,358,064
Vehicle Licenses & Permits	1,278,684	1,298,046	1,236,831	1,264,401	1,269,491	1,269,491	1,269,491
Misc. Cost Recovery	6,921,527	3,882,961	232,830	264,196	264,196	264,196	264,196
State Funds Cap Recovery (SFCAP)	582,728	629,046	661,224	898,870	-	-	-
Miscellaneous Receipts	562,283	446,756	430,082	1,164,729	425,186	425,186	425,186
Filing Fee	340,508	363,436	-	39,015	39,015	39,015	39,015
Documents Sold	849,743	289,426	325,714	310,699	308,613	308,613	308,613
Misc. Fines/Forfeitures	262,898	253,167	675,365	532,059	1,601,042	532,059	532,059
Misc. Fed Assistance	200,337	195,597	-	395,290	197,806	197,806	197,806
Student Tuition and Fees	152,071	165,892	159,125	51,035	51,035	51,035	51,035
Emergency Telephone System Fee	155,280	185,825	201,340	201,526	203,541	205,576	207,632
Inspection/Testing Fee	175,549	206,029	304,205	32,397	32,397	32,397	32,397
Cement Tax	136,301	163,893	145,126	132,604	144,481	144,481	144,481
Securities/Insurance Fines	135,698	139,459	143,256	5,100,914	159,537	159,537	159,537
Attorney License	95,000	98,130	96,650	97,750	96,883	96,883	96,883
Civil Penalty Fines	86,143	328,159	46,081	172,479	157,515	157,515	157,515
Health Licenses and Permits	52,127	64,085	53,686	72,167	52,907	68,126	52,907
Federal Indirect Cost Recovery	88,855	93,584	126,172	156,139	116,187	116,187	116,187
Proceeds of Fixed Asset Distribution	125,047	81,556	60,536	93,264	78,452	78,452	78,452
Rentals	32,567	33,715	28,267	32,986	32,986	32,986	32,986
Accommodations Tax	52,215	38,912	1,732,547	40,021	40,924	40,924	40,924
PSC Licenses & Permits	5,015	5,375	5,460	4,680	4,680	4,680	4,680
Incept. of Inst. Purch. Cont	9,587	53,694	160,214	631,735	74,498	74,498	74,498
Subtotal	\$ 26,980,575	\$ 26,046,259	\$ 25,770,763	\$ 29,334,141	\$ 27,424,404	\$ 23,258,934	\$ 23,266,095

Revenue Sources Estimated as a Group

As discussed above, 18 separate items are estimated as a group. Table 3 shows total collections from this group in FY 1997 through FY 2003 and projected collections through FY 2007.

Collections in FY 1997 through FY 1998 and FY 2000 and FY 2001 show a moderate amount of variability but no clear trend. Collections in FY 1999 were much higher, primarily because of one-time receipts. For the revenue sources which continue for FY 2005 and beyond, all but two of the items, estimated as a group, are projected to continue at the average of their levels in FY 2000 through FY 2004 after removing one-time receipts. Lobbyist permits have been about \$40,000 in odd numbered fiscal years and less than \$1,000 in even numbered fiscal years. This pattern is forecast to continue. HB 63 (2003 session) moved apiary fees from the general fund to a special revenue fund. This will reduce general fund revenue by about \$0.017 million.

Fiscal Year	Total Collections	% Change
A 1997	\$ 331,064	16.44%
A 1998	\$ 262,497	-20.71%
A 1999	\$1,161,960	342.66%
A 2000	\$ 451,554	-61.14%
A 2001	\$ 307,081	-31.99%
A 2002	\$ 275,107	-10.41%
A 2003	\$ 124,259	-54.83%
A 2004	\$ 97,926	-21.19%
F 2005	\$ 167,506	71.05%
F 2006	\$ 130,206	-22.27%
F 2007	\$ 167,506	28.65%

Total Other Revenue

Total non-FEMA other revenue is the sum of the items estimated individually and the items estimated as a group, as shown in Table 4.

Component of Estimate	FY 2005	FY 2006	FY 2007
Items Estimated Individually	\$27.424	\$23.259	\$23.266
Items Estimated As a Group	0.168	0.130	0.168
Total Other Revenue	<u>\$27.592</u>	<u>\$23.389</u>	<u>\$23.434</u>

FEMA Reimbursements

Federal reimbursements to the state for forest fire costs were slightly more than \$1 million in FY 2000. Costs from fires in the summer of 2000 were reimbursed during FY 2001 and FY 2002. Reimbursements totaled \$24.388 million in FY 2001 and \$16.564 million in FY 2002. No FEMA reimbursements went to the general fund in FY 2003 and FY 2004.

The forecast assumes light fire seasons with reimbursements of \$0.2 million in each of FY 2005 through FY 2007. Heavier fire seasons would lead to higher firefighting costs, which would be covered by supplemental appropriations and higher reimbursements.